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Diana T Fritz 02/05/2007 05:42:48 PM From DB/Inbox: Search Results

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Text:

UNCLAS ABU DHABI 03054

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ACTION: ECON  
INFO: P/M POL AMB DCM MEPI  
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DISSEMINATION: ECON  
CHARGE: PROG

APPROVED: AMB:MSISON  
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CLEARED: A/DCM:HOLSINWINDECKER, BIS:MO'BRIEN

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TO RUEHC/SECSTATE WASHDC PRIORITY 5813  
INFO RUCPDOC/USDOC WASHDC

UNCLAS ABU DHABI 003054

SIPDIS

SENSITIVE

STATE FOR NEA/ARP, NEA/PI  
STATE PASS USTR FOR JASON BUNTIN AND DOUG BELL  
USDOC FOR BIS/NWEANT

E.O. 12958: N/A  
TAGS: KBC KMPI ECON ETRD TC  
SUBJECT: ARAB LEAGUE BOYCOTT: NETAFIM

¶1. (SBU) On September 7, EconChief met with Ministry of Finance Assistant Undersecretary Khalid Al-Bustani to discuss efforts to resolve Arab League Boycott concerns and specifically to see about getting the UAE to remove Netafim USA from its list of banned companies. In an August 18 conversation, Al-Bustani said that he wanted to try and resolve Netafim's problem quickly and requested that EconChief facilitate a meeting between him and Netafim. He also committed to working to solve the more systemic problem of the secondary boycott and suggested that the USG bring it up as a topic at the next TIFA council. (Note: We have switched our efforts to resolve Netafim from the Ministry of Economy and Commerce, which manages the Arab League Boycott Office, to the Ministry of Finance and Industry because it is the lead UAE agency on the TIFA council, and because they have been very successful in resolving TIFA-related issues.) Netafim has not yet identified a Netafim official who would be able to meet with the UAEG.

¶2. (SBU) EconChief explained that Netafim was incorporated in New York and that it had a manufacturing facility in California. It had operated in the UAE previously, but is now on the Arab League boycott list as an Israeli company. Al-Bustani again stated that he wanted to resolve the problem and asked whether Netafim had responded to his request for a meeting. After EconChief responded in the negative, Al-Bustani said that it would be a much more difficult and slow process to resolve the issue through the UAE interagency absent such a meeting.

¶3. (SBU) Al Bustani explained that, as a member of the TIFA

Council, he could meet with Netafim representatives, hear their concerns and use this with other agencies. Absent a meeting, he had a weaker case: he was operating on second-hand information and worried that his UAEG counterparts would deprecate the problem if Netafim chose not to present its own case. Al-Bustani promised to again talk to Minister of State for Finance and Industry Khirbash about how to resolve the Netafim case, but urged EconChief to again try and facilitate a meeting with Netafim. He suggested that, if they could not meet earlier, Netafim officials could meet with him in Washington around the October 4-5 TIFA council meeting.

¶4. (SBU) Comment and Action Request: Embassy requests that NEA/PI contact Netafim's lawyer in Washington and urge once again that Netafim meet with a UAEG official and to pass on Al-Bustani's offer of an early October meeting. Al Bustani has effectively used the Ministry's role as the lead UAE agency on TIFA issues and the UAE's interest in negotiating a FTA to resolve a number of issues. Post can attest to the effectiveness of direct meetings between companies and the Ministry of Finance (with Embassy facilitation and participation if the U.S. companies desire) in resolving other issues. Both MinState Khirbash and Al-Bustani understand that this is an important issue to resolve. We believe that we can best facilitate this quickly by bringing the two parties together. End Comment and Action Request.

Sison